

**REMARKS/ARGUMENTS**

Claims 15-17, 20-24, and 27 are amended by this response. No claims are canceled or added. Accordingly, following entry of these amendments and remarks, claims 15-27 will remain pending for examination.

In the latest Office Action, the Examiner rejected all claims under 35 USC §101 as being directed to non-statutory subject matter and as failing to transform the underlying subject matter to a different state or thing. The Examiner has also rejected all claims under 35 USC §103(a) as being unpatentable over U.S. Patent Publication No. 2001/0034619 to Sherman (hereinafter “the Sherman Publication”) in combination with U.S. Patent Publication No. 2004/0064391 to Lange (hereinafter “the Lange Publication”). Each of these rejections is addressed herein.

**Claim Rejections - 35 USC §101**

The Examiner has rejected the claims under 35 U.S.C. §101 as allegedly being directed to non-statutory subject matter. Without conceding the merits of the rejection as applied to the previously presented claims, Applicant respectfully submits that the amended claims overcome this rejection.

The Federal Circuit, applying Supreme Court precedent, has recently established that the “machine-or-transformation” test is the standard for assessing whether process claims are directed to patentable subject matter. Under this test, “[a] claimed process is surely patent-eligible under §101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.” *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008) (en banc).

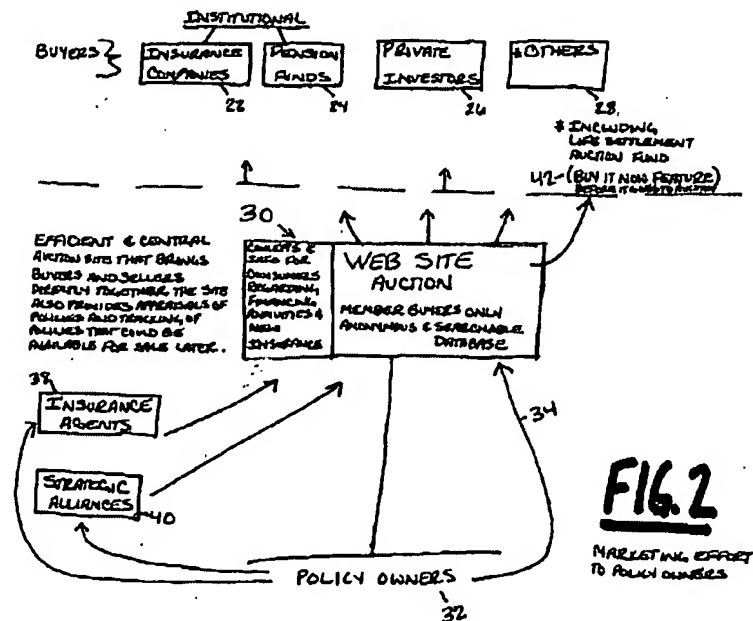
As amended, the pending claims recite patentable subject matter at least because they are tied to a particular machine. For example, independent claim 15 recites that the computer-implemented method for buying and selling in-force life insurance policies includes “a server computer, a web-based interface, and a database”. Independent claim 15 further recites the specific acts performed by these elements, including “*locating, by the server computer, from among the plurality of in-force policies stored in the database, those in-force policies whose owners are willing to entertain offers from potential buyers to buy the owner's policy*” and “*obtaining, via the web-based interface, financial and medical underwriting information about*

the in-force policies from their owners, as needed, and *storing it in the database* for evaluation by the potential buyers.” Claim 15 also recites other uses made by the server computer, including acts of “categorizing financial and medical underwriting information” and “tracking membership information.”

In the interest of advancing prosecution of the application, the dependent claims have also been amended to emphasize the tie to a particular machine more strongly. Accordingly, recitations have been amended to certain dependent claims to tie the method steps to the server computer system, the web-based application, or the database. Thus, it is respectfully submitted that the claims, particularly as amended, recite statutory subject matter, and it is requested that the statutory subject matter rejections with respect to the claims be withdrawn.

### Claim Rejections - 35 USC §103

As shown in Figure 2 (reproduced below), embodiments of the present invention disclose a web-based application (website 30) used by policy owners and insurance agents in order to access relevant insurance information of the policy owner. Furthermore, owners of in-force insurance policies who are willing to sell or entertain offers to buy their policies are located. Potential buyers can then review information and decide whether to make an offer to the owner to buy his/her policy while the system limits access to potential buyers (See ¶[0026]).



Unfortunately, the growing market for life settlement transactions has led to abuse by brokers and agents in depriving policy owners of the fair value for the sale of their policies. The claimed embodiments help to create an efficient market for life settlement transactions in which policy owners can obtain good value for their policies, and buyers can avoid over-paying for the same (See ¶[0005]-¶[0006]).

Sole independent claim 15 has now been amended accordingly to recite:

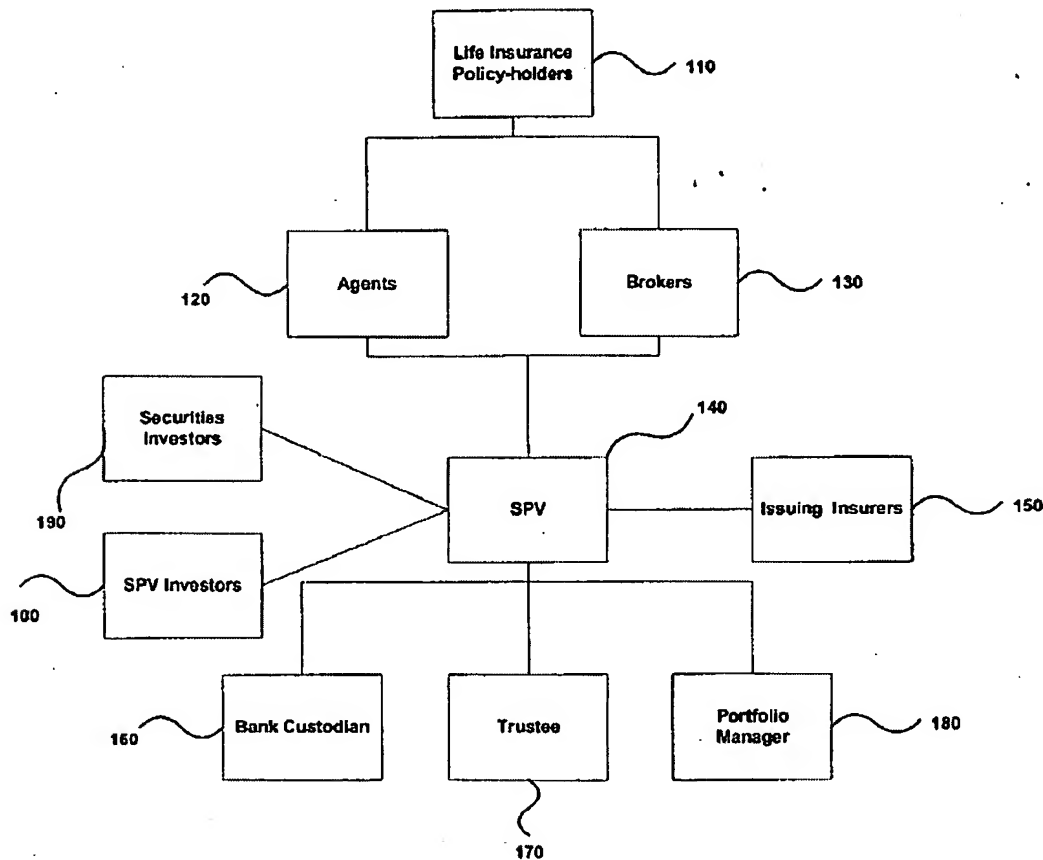
15. A computer-implemented method for buying and selling in-force life insurance policies including a server computer, a web-based interface, and a database, the method comprising:  
providing the database with information concerning a plurality of in-force life insurance policies;  
locating, by the server computer, from among the plurality of in-force policies stored in the database, those in-force policies whose owners are willing to entertain offers from potential buyers to buy the owner's policy;  
obtaining, via the web-based interface, financial and medical underwriting information about the in-force policies from their owners, as needed, and storing it in the database for evaluation by the potential buyers;  
categorizing, by the server computer, the financial and medical underwriting information electronically so as to allow queries on the database, based on one or more category, to create a listing of in-force policies available for sale, by some query criteria, for review by the potential buyers; and  
tracking, by the server computer, membership records so that access to the database is limited to potential buyers who are represented in those membership records. (Emphasis added)

The Sherman Publication fails to disclose or suggest each element of claim 15.

Specifically, the Sherman Publication is directed to providing additional insurance to already insured persons. Here, an already insured party is offered a chance to buy additional insurance (See Col 4, lines 52-56). There is absolutely no disclosure in the Sherman Publication about currently insured persons selling or entertaining offers for others to buy their current policy. Similarly, there is no teaching here of a server computer electronically categorizing financial and medical information “to create a list of in-force policies available for sell”, or the sever computer tracking membership records “so that access to the database is limited”, as recited in claim 15.

The Sherman Publication’s lack of teaching is explicitly acknowledged by the Examiner in the latest office action (See Office Action Mailed December 22, 2008, pg. 4). In an effort to provide this absent teaching, the Examiner has combined the Sherman Publication with the Lange Publication. However, Applicants submit that the Lange Publication does not remedy the inadequacies of the Sherman Publication.

The Lange Publication discloses a system and method for creation of Collateralized Life Settlement Obligation (CLSO). In particular, as shown and described in connection with Figure 1 (reproduced below), the Lange Publication teaches that policy holders interact with life insurance agents 120 and contract brokers 130 for purchase of life insurance policies:



SPV 140 is established as a legal corporate or partnership entity. SPV investors 100 provide investment capital to SPV 140 and own the equity interest in the SPV. As an independent financial entity, SPV 140 may, in one embodiment, seek to be rated of high credit quality such as “AAA” or “AA” by a credit rating agency such as Standard and Poors. Life insurance agents 120 and life settlement contract brokers 130 arrange with life insurance policyholders 110 to purchase a variety of life insurance policies. (Emphasis added; ¶[0032])

Accordingly, the Lange Publication teaches interaction between the policy holders, agents, and brokers for the sale of insurance policies. By contrast, embodiments of the present invention allows for efficient life settlement and viatical settlement transactions by creating a computer-

implemented system that eliminates middle men such as brokers and agents. In fact, the Lange Publication makes no reference to online transactions or providing a computer-implemented system. Like the Sherman Publication, this reference does not teach a server computer electronically categorizing financial and medical information "to create a list of in-force policies available for sell", or a sever computer tracking membership records "so that access to the database is limited", as recited in the pending claims.

Thus, both the Sherman and Lange Publication fail to disclose the above-mentioned elements of claim 15. Therefore, independent claim 15 is allowable over both the Sherman and Lange Publications. Claims 16-27, which depend on claim 15, are also allowable for at least the reasons stated above and for the additional elements that they recite.

### CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested. If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-326-2400.

Respectfully submitted,

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